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ATTACHMENT A

COMMENTS CONCERNING PROPOSAL FOR ESTABLISHING PROCEDURES FOR
COMPUTED TRAVEL BETWEEN HEADQUARTERS [REDACTED]

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1. Much of the potential advantage to the Agency of a computed rate basis for travel reimbursement is lost when the computed rate applies to only a portion of the expenses involved. Under the partial system proposed the Agency would still be involved in the procurement of transportation, in the preparation of vouchers to convert advances to expense charges, and in some cases, in assisting the traveler with the preparation of potential supplemental claim vouchers.
2. The proposal protects travelers against losses of \$25.00 or more when travel is on a computed basis. The Agency, however, is not equally protected against substantial windfalls to the traveler.
3. The tendency to round cost factors upward to reduce the incidence of supplemental claims could well result in significant gains to the traveler above what he could claim on a conventional basis; such gains could easily exceed the cost of preparing and processing the travel voucher.
4. The evaluation envisioned after a trial of one year could be made on the basis of an analysis of a representative sample of vouchers processed at [REDACTED] during the most recent four to six months. Thus proper evaluation of the concept need not be based upon an experiment which could be costly to the Agency. Some years ago the Finance Division gave some consideration to a similar computed rate concept in which the component cost factors were rounded upward

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DOC	1	REV DATE	26-10-81	BY	006199
ORIG COMP		ORI	38	TYPE	01
FORM	105	PAGES	2	REV CLASS	C
JUST	22	NEXT REV	2011	AUTH:	HR 70-2

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as in the present proposal to assure coverage of the costs of the average traveler; comparisons of amounts that would have been allowable to travelers using such rates with actual travel vouchers clearly demonstrated that application of such a system would have resulted in a net cost to the government.

5. It is our impression the suggested cost factors are excessive in respect to taxi and baggage allowances; the baggage allowances appear to be especially excessive for air travel. The latter excess would increase with the size of the family.
6. Although experience might demonstrate that an equitable partial commuted travel plan could be developed [REDACTED] the problems in developing a similar plan for travel to the large number of world-wide overseas locations to which employees are assigned FOS would be involved and costly. This would apply especially in the case of return travel to Washington because of home leave travel. Alternatively, from a long range viewpoint the desirability of establishing commuted rates for travel to and from only a few points in the world seems questionable. The volume of travel to most points would appear to be too small to warrant an effort to establish and monitor commuted rates.
7. Although we understand that legally the Director of Central Intelligence may prescribe regulations authorizing the payment of costs of overseas travel on a commuted basis, we believe it is pertinent that commuted travel proposals have been considered in depth by the State Department, General Accounting Office, and the Bureau of the Budget and have been

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considered to have insufficient overall merit from the viewpoint of administrative advantage to justify requesting legislation to permit adoption; copies of General Accounting Office and Bureau of the Budget memorandums on this subject are attached for your information. We doubt that we have a sufficient volume of travel between most points overseas to warrant the effort to administer computed rate travel on bases equitable to both the travelers and the Government.

8. If notwithstanding the fact that other Government agencies with comparable travel problems have not deemed it practicable to develop a computed basis for reimbursement to overseas travelers which could be endorsed as warranting a request for modification of applicable laws, you believe this Agency should pursue efforts to develop a computed basis for reimbursing overseas travelers we shall be glad to work with you in its development. It is our thought in this connection that in order to provide maximum benefit to the Agency as well as to the traveler, the computed rate should apply to the total travel expense involved and that it should be comprised of an easily determinable basic cost factor such as economy air fare plus fixed allowances for per diem, baggage, taxi fares, and other incidental expenses to be determined on a formula basis related to the scheduled travel time for per diem and to the basic fare for other expenses. A key objective with respect to establishing fixed allowances for variable expenses other than per diem would be to establish an aggregate amount sufficiently less than travelers are typically reimbursed under existing regulations to provide an

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estimated net savings to the Government for travelers using the converted rate and at the same time provide a monetary incentive to the traveler to exercise prudence in the amounts of actual expenses incurred in completing his travel by allowing him to retain savings between actual expenses and the converted rate. For example, travelers in practice may tend to be extravagant in the utilization of excess and unaccompanied baggage entitlements in connection with air travel simply because the entitlements exist; in some cases the traveler if spending his own money might find it feasible to effect savings in such ways as shipping unaccompanied baggage by APO, and taking less accompanied excess baggage. It would be our concept in connection with the foregoing that the traveler would have the option in advance of travel of accepting the converted rate without recourse or to travel under existing regulations. Such a choice would be somewhat analogous in general philosophy to the choice a taxpayer has in electing to file his income tax return on the basis of a standard deduction or on the basis of itemized deductions.

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